

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
MILLENNIUM INC., a Nevada corporation,

Plaintiff,

-against-

MILLENNIUM SMOKE SHOP INC., a New York
corporation,

Defendant.

ANALISA TORRES, District Judge:

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DOC #:
DATE FILED: 12/13/2023

23 Civ. 6583 (AT)

ORDER

On November 17, 2023, the Clerk of Court entered a certificate of default as to Defendant. ECF No. 25. On December 4, 2023, however, Defendant appeared in this action and filed an answer. ECF Nos. 26, 28. Plaintiff moved for a default judgment on December 12, 2023. ECF No. 29.

It is “well established that default judgments are disfavored,” and that there is a strong preference for resolving disputes on the merits. *Pecarsky v. Galaxiworld.com Ltd.*, 249 F.3d 167, 174 (2d Cir. 2001). A court may set aside an entry of default for “good cause.” Fed. R. Civ. P. 55(c). In determining whether good cause exists, courts consider whether the default was willful, whether the plaintiff would be prejudiced by the denial of the motion for default judgment, and whether the allegedly defaulting party may have any meritorious defenses to the plaintiff’s claims. *Loop Prod. v. Cap. Connections LLC*, 797 F. Supp. 2d 338, 345–46 (S.D.N.Y. 2011). “[B]ecause defaults are generally disfavored and are reserved for rare occasions, when doubt exists as to whether a default should be granted or vacated, the doubt should be resolved in favor of the defaulting party.” *Enron Oil Corp. v. Diakuhara*, 10 F.3d 90, 96 (2d Cir. 1993).

In light of the above standard, the parties shall confer about whether they intend to file a joint stipulation vacating the certificate of default. By **January 8, 2024**, the parties shall file such proposed joint stipulation or a joint letter indicating each party’s position.

SO ORDERED.

Dated: December 13, 2023
New York, New York



ANALISA TORRES
United States District Judge